

Opening Statement of the Honorable Fred Upton
Subcommittee on Health
Hearing on “Protecting Affordable Coverage for Employees”
September 9, 2015

(As Prepared for Delivery)

Today we will examine H.R. 1624, the Protecting Affordable Coverage for Employers Act, authored by Subcommittee Vice Chairman Brett Guthrie. This important bill would provide relief for many employers who are on track to face higher health coverage costs in coming months if we do not act soon.

Currently, health insurance offered in the small group market must meet certain requirements that do not apply to the large group market. Because of a requirement in the president's health law, beginning next year businesses with between 51 and 100 employees will be forced to offer health insurance coverage that currently applies only in the small group market.

These new mandates and requirements will ultimately lead to higher premiums for employees. The new plans are also expected to have less flexibility with respect to plan design as compared to the current plans. Employers with 50 or fewer employees also may face disruption under current law, facing higher costs and fewer choices over time.

One of our witnesses today has estimated that roughly two-thirds of businesses offering coverage to their 51-100 employees could face an 18 percent increase in premiums. Additionally, the American Academy of Actuaries has projected more than 150,000 establishments with over 3 million workers could be negatively impacted if we do not act.

I know many employers in my home state of Michigan have already seen their health care costs increase, and many more are worried about what 2016 may bring.

According to nonpartisan analysis, enactment of H.R. 1624 would yield notably lower premiums than currently projected, encourage continued health coverage, discourage employers from dropping coverage, and help encourage market stabilization. Under this bill, businesses and their employees will be able to keep their current health care plans and avoid higher premiums for coverage with more prescriptive benefit mandates and rating restrictions.

This bill enjoys strong bipartisan support. H.R. 1624 has more than 200 cosponsors, and a similar bill in the Senate enjoys the support of nearly one-third of the Senate.

I support this bill and thank the witnesses for their testimony.

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